

Report of Special Committee on Investment

The Special Committee on Investment was formed to make suggestions on the long-term and short-term investment strategies for the Bar with the assistance of professional investment advisors, currently RBC Investment Services (Asia) Limited (*formerly RBC Dominion Securities*). The investment approach of the Bar has been prudent, aiming at achieving long-term growth.

- 1. Bonds and Fixed Income.** During the financial year October 2013 to September 2014, the following bonds matured and were redeemed for reinvestment: Westpac Banking EMTN; Hutchison Whampoa Ltd; Hong Kong SAR Government Bond. The Bar is currently holding 5 bonds in its portfolio: Swire Properties Offshore; Shui On Development, Franshion Development, Wharf Finance Ltd and Swire Pacific Finance EMTN. The total market value of these bonds, excluding the redeemed bonds, has slightly decreased by 0.42%*. The accrued income from these bonds amounted to HK\$584,059.30. The Bar needs bond income, especially as we have regular expenses. The current interest environment has meant that our bonds have not done as well this past year. Our movement of more funds to equities has borne fruit.
- 2. Equities.** The Bar currently holds shares of the Hongkong and Shanghai Banking Corporation Limited, Hang Seng Bank Limited, Swire Pacific 'A', China Construction Bank Corp., Sinopec Corp., Petro China, China Mobile Ltd, ICBC Bank, Bank of China, Hutchison Whampoa Ltd, Cheung Kong Infrastructure Hold Ltd, AIA Group Ltd, Ping An Insurance (Group) Co of China, China Mengniu Dairy Co Ltd and China AMC CSI 300. The last 5 items were new purchases during the financial year. We have collected total dividends of \$1,416,499.78 for the period which is a 57% increase compared with the previous period. We are cautiously optimistic about our portfolio which we aim to hold for the medium to long term, and not for short term trading.

Membership:

Robert G. Kotewall SC

Horace Wong SC

Robert G. Kotewall SC
Special Committee on Investment

*as at the end of September 2014